

Washington, D.C. -- Congresswoman Linda Sánchez (CA-Lakewood) backed the most comprehensive response yet to the American mortgage crisis. The American Housing Rescue and Foreclosure Prevention Act will help families keep their homes, aid local communities hit hard by the foreclosure crisis and strengthen the economy and financial markets. The bill passed yesterday in the House by a vote of 272-152.

“The mortgage crisis impacts families in my district and families everywhere,” said Congresswoman Linda Sánchez. “Families have lost their homes, millions more are on the brink of foreclosure, and homeowners have seen their property values plummet. The bill I supported will help homeowners keep their homes and get our economy back on track.”

Because of her awareness of, and concern on the mortgage crisis, Congresswoman Sánchez, along with Congresswoman Lucille Roybal-Allard (CA-Los Angeles), hosted a foreclosure prevention and homeownership preservation workshop for constituents in southeastern Los Angeles County last Saturday. More than 500 people attended the free event to receive advice from credit counselors and lenders, one-on-one counseling, and information on viable options regarding foreclosure prevention assistance.

The American Housing Rescue and Foreclosure Prevention Act will allow hard-working American families in danger of losing their home to refinance into lower-cost government-insured mortgages they can afford to repay — at no cost to the American taxpayer. The legislation also:

- Strengthens neighborhoods hardest hit by the foreclosure crisis by providing resources to allow cities and states to buy up and rehabilitate foreclosed properties that are currently driving down home prices, reducing state and local revenues, and destabilizing neighborhoods;
- Expands homeownership opportunities for veterans and helps returning soldiers avoid foreclosure and stay in their home;
- Provides tax breaks to spur home buying; and
- Creates a new fund to boost the nation’s stock of affordable rental housing in both rural and urban areas for low and very low-income individuals and families.

The legislation passed yesterday also includes provisions that will help restore confidence in financial markets and shore up Fannie Mae and Freddie Mac. The bill provides the Department of the Treasury with emergency and temporary financing authority for Fannie Mae and Freddie Mac. Fannie Mae and Freddie Mac are important institutions that hold or guarantee nearly half of all mortgages in the United States. On Tuesday, the Congressional Budget Office Director Peter Orszag said there was a “a significant chance, probably better than 50 percent, that the proposed new Treasury authority would not be used before it expired at the end of December 2009.”

The legislation has earned the support of Democrats and Republicans in both the House and Senate and President Bush has indicated that he will sign the bill into law.

“I’m proud of the bipartisan work that has been done to address this crisis that affects us all,” added Congresswoman Sánchez. “Together, we’ve crafted much-needed legislation and I look

forward to continuing to work with my colleagues to strengthen the economy.”